

VOLUME IV- COAL

CHAPTER 1

REQUIREMENTS, PROCUREMENT, AND DISTRIBUTION

A. GENERAL. Coal is assigned FSC 9110, Solid Fuel. Supply procedures for obtaining coal are contained in this volume. Management of coal is exempt from MILSPETS, **MILSTRIP**, and **MILSTRAP**.

B. REQUIREMENTS

1. Requisition Procedures

a. **DD Form 416**, Purchase Request For Coal, Coke or Briquettes, shall be used by the Military Services/Federal Agencies to requisition coal from **DFSC**. Service Control Points (**SCPs**) (see subsection B.4, below) and **Inventory Control Points (ICPs)** of Federal Agencies **shall** submit **DD Form 416** to **DFSC-0** by the time frames listed in **DFSCR 4220.1**, Requirements Submission Schedule for Fuel and Commercial Services.¹

b. A single **DD Form 416** will be prepared for each location by each class of **coal**, such as anthracite, bituminous, or sub-bituminous. The **DD Form 416** will include the product Specifications, quantity, monthly consumption (estimated), mode of desired delivery, and the purchase program period (**delivery period**).

c. Military units **shall** prepare the **DD Form 416** at the user level (per **SCP** guidance) and forward it to their respective **SCP**. **ICPS** shall prepare the purchase request for other Federal Agencies.

2. Routine Requirements

a. Routine coal requirements are covered by requirements contracts with **delivery-order** limitations negotiated and awarded by **DFSC-P**. Refer to subsection C.2., below for local purchase provisions.

b. The using location shall include accounting/appropriation **data** on purchase orders issued under the **DFSC** contract. The **DD Form 350**, **Individual Contracting Action Report**, however, will not be

prepared by the user. The **DD Form 350** is prepared by **DFSC-P** when the contract is issued.

3. Emergency Requirements

a. Emergency requirements for military users will be approved by the **SCPS** listed in subsection B.4., below.

b. **DFSC** **will** be notified of emergency circumstances, quantity of coal on hand, and estimated consumption for the next 30 days. Emergency requirements will be bought as quickly as possible.

c. To preclude emergency circumstances/orders, the using location shall: (1) promptly notify the Contracting **Officer** of late deliveries or any other problems and (2) stockpile coal in **sufficient** quantity to cover contingencies (contractual problems, inclement weather, etc.).

4. Service Control Points (SCPs)

a. Army: Commander, U.S. Army Petroleum Center/SATPC-L, New **Cumberland**, PA 17070-5008.

b. Air Force: Director of Aerospace Fuels/**SFSC**, San Antonio Air Logistics Center, Kelly AFB, TX 78241-5000.

c. Navy/Marine Corps: Commander, Naval Energy and Environmental Support Activity, port Hueneme, CA 93043-5014.

C. PROCUREMENT

1. DLA. **DLA/DFSC** is the central contracting agency for coal in the Federal Government. **DFSC** contracts for direct **delivery**; the user **places** orders. Coal contracts/purchase orders (not including **FY88-mandated** anthracite coal) are not funded by **DFSC**.

2. Military Services. Services/agencies budget and fund for all coal requirements.

¹Copies are available from **DFSC-OP**, Cameron Station. VA 22304-6160.

a. Local Purchase. Local purchase is authorized, subject to Military Service regulations, when the **annual** requirement per line item does not exceed \$25,000.

b. Emergency Purchase. Emergency procurement by the **Military** Services will be in accordance with DoD FAR Supplement 208.7003-4.

D. TRANSPORTATION

1. Rail deliveries are occasionally FOB mine (meaning transportation cost is separate from the coal price). **DFSC-O** provides rail routing instructions to the mine **contractor**; instructions are coordinated with **MTMC**. The contractor prepares a commercial bill of lading (**CBL**), and the consignee converts the CBL to a GBL for payment.

2. Truck deliveries are FOB destination (transportation cost is include in the price of the coal), paid by the consignee.

E. EXCESS STOCK

1, Less Than \$20.000. Excess line items of value less than \$20,000 delivered cost shall be disposed of in accordance with Military **Service** disposal procedures and not reported to **DFSC**.

2. \$20,000 or More. Users shall report excess stocks through prescribed **channels** to their SCP. **DFSC** will assist in redistributing such stock upon receipt of SF 120, Report of Excess Personal Property.

F. STANDARDIZATION AND CATALOGING. Coal is an organic, heterogeneous material; basic **characteristics** are **not** changed daring raining and preparation for market. **There are** four major classes (or ranks) of coal mined in the United States:

1. Lignite (or Brown Coal). The first stage in the formation of coal produces a dark brown type of cord called lignite. This class is lowest in carbon, only about 30 percent.

2. Sub Bituminous Coal. As earth pressure increases, lignite turns into a harder coal called **sub-bituminous** coal.

3. Bituminous Coal. Of the four classes, this is the most purchased by DoD. The chemical and physical characteristics vary to a large degree; therefore, the bituminous coal **industry** has no standard size or quality.

Specifications for each line item requisitioned are based on the design of handling and burning equipment at the using location. The design is influenced by what type of coal is available at the most economical delivered cost to a given location.

4. Anthracite. Intense pressure changes **bituminous** coal into anthracite, the hardest of all coals. Anthracite is produced from a relatively small area in northeastern Pennsylvania. The coal industry together with the Pennsylvania Department of Commerce standardized the marketing of anthracite as to size, nomenclature, and the **allowable** minimum quality and size. The highest-ranking anthracites contain 98 percent **carbon**.

G. QUALITY COMPLAINTS

I. When quality and operational problems are experienced at the using facility, reports are to be forwarded to **DFSC-QEC**, Cameron **Station, Alexandria, VA**, 22304-6160. Procedures to be followed are outlined in DLAR 4155.24 / **AR 702-7/ SECNAVINST 4855.5A / AFR 74-6,20 JUL 93**, Product Quality Deficiency Report Program.

CHAPTER 2

CONTRACT ADMINISTRATION

A. POLICY

1. The Defense Fuel Supply Center (DFSC), as the contracting agency, has contract administration responsibility. Contract administration **functions** for DFSC contracts may only be **delegated** to another agency/military unit by the DFSC Contracting Officer.

2. Quality Assurance responsibility at origin (in CONUS) is assigned to DCMC.

B. QUALITY/QUANTITY REQUIREMENTS

1. Minimum specification requirements are developed by the Military Services and Federal Agencies submitting each item purchased under this program. **DFSC-Q** shall develop contract quality clauses to ensure adequate procedures are developed to protect product quality.

2. When a contractor delivers coal from a mine not authorized by the contract, product maybe rejected.

3. Requests made by contractors to use an alternate mine in **performance** of contract requirements shall be processed through the contracting **office**. Alternative mines must be capable of supplying product meeting product specifications. A contract modification is required when an alternate mine is approved.

C. INSPECTION AT SOURCE (ORIGIN). Quality Assurance responsibility is assigned to Defense Contract Districts (**DCMD**). When inspection at source (origin) is required by the contract, the cognizant DCMD shall assign a Quality Assurance Representative (**QAR**) to the **facility**.

1. Contractor. It is the contractor's responsibility to ensure quality, and quantity of coal supplied to the government.

2. Quality Assurance at Source. When Quality Assurance functions are assigned to source, the DCMD QAR **will** perform Quality Assurance in accordance with DLAM 8200.2, Procurement Quality Assurance support Manual for Defense Contract Administration Services, and DLAM 8200.5, In-Plant quality Evaluation (IQUE) (see reference index); DASC-WP,

Cameron Station, VA, 22304 distributes copies.

3. Quality Assurance Representative (QAR). QARs oversee the contractor's quality control operations and assure product meets contract quality specifications.

4. The Defense Fuel Supply Center Contracting Office (DFSC-P). When a Contractor has historically performed acceptably in providing product, the QAR may allow the Contractor to ship under a **Certificate of Conformance (COC)**. This means the contractor may ship coal from the place of performance to the facility without the QAR witnessing the loading or signing the DD Form 250. **DFSC-P** in coordination with **DFSC-Q** will provide contractor-historical quality data to **DCMAO** and recommend whether a Certificate of Conformance should be continued.

D. PRODUCT ACCEPTANCE AT DESTINATION

1. Product **will** be unloaded when:

a. It has been determined by visual inspection that the product meets the specification requirements, and...

b. For rail car deliveries, the DD Form 250 and commercial analytical test report (from the contractor) indicate that contractual obligations and product specifications have been fulfilled. If these documents are not at the receiving unit prior to unloading, promptly **notify** the Contracting Officer.

c. For truck deliveries, the DD Form 250 does not have to be available prior to unloading the **product**; do not delay the unloading due to the absence of this document. The Contractor shall provide an analytical test report representing the stockpile from which the coal is being shipped on or before receipt of the first truckload of coal at the base.

2. A representative sample maybe taken during the unloading for laboratory analysis in accordance with the American Society for Testing and Materials, Section 5, Petroleum Products, Lubricants, and Fossil Fuels, Volume 05.05, Gaseous Fuels, Coal and Coke. ASTM test methods to be used are: ASTM-D-2234, Collection

of a Gross Sample of Coal; ASTM-D-4749, **Standard Test Method for Performing the Sieve Analysis of Coal and Designating coal Size**; ASTM-D-49 15, **Standard Practice for Manual Sampling of Coal from Tops of Railroad Cars**; and ASTM-D-20 13, **Standard Method of Preparing coal Samples for Analysis**. Samples collected are mailed to Army Laboratories: Defense Distribution Region East (**DDRE**) - Petroleum Testing Facility East, **ATTN: SATPC-QE**, New **Cumberland**, PA 17070-5008 located at **Susquehanna** Distribution Depot, New **Cumberland** Distribution Site, Pennsylvania or Defense Distribution Region West (**DDRW**) located at Petroleum Testing Facility **West**, **ATTN: SATPC-QW**, Bldg. 247, **DDRW** - at Tracy Location, Stockton, California, 95296-0960.

3. The above Army Laboratories will return a coal analysis test report to the consignee (using location) with copies to the Contracting **Officer** at DFSC-P and **DFSC-Q** by E-Mail. The consignee will compare the test report with the contractor's guarantee to calculate credits and debits, per delivery. Based on aggregated evidence (contract year), the consignee will assess the contractor a compensation fee (due the using location) if debits exceed credits.

4. Military Services/Federal Agencies that sample coal shall assure **that all** personnel obtaining coal samples are - as a minimum - familiar with those ASTM Methods cited in paragraph D.2., above. The Military Services/Federal Agencies shall notify **USAPC** of training needs. Training costs are to be born by the requesting activity.

E. PRODUCT REJECTION AT DESTINATION

1. Coal **will** not be unloaded if visual inspection reveals that it may not meet the minimum quality specification for size or obvious impurities, e.g.: slate, **rock**, dirt, or oxidation. Before product is sampled, **notify** the Contracting **Officer/DFSC-Q** immediately by telephone about the situation, supplying the following information: Activity, Point of Contact at the Activity and Phone Number, Order Number the coal was received under, Conveyance Numbers, Contractor, Contract Number, Reason for Not Unloading (Failing Characteristics), Time/Date of Receipt, Current Status of Conveyances (e.g., activity, rail yard, enroute, etc.) This **will** allow the Contractor to be notified and given the opportunity to be present during the sampling. A sample **will** be obtained, and tested for compliance to **confirm** visual inspection. The samples shall be taken in accordance with those ASTM methods cited in paragraph D.2., above.

2. If the product tested is found to be unacceptable, **do not** unload it. **Notify** the DFSC Contracting Officer immediately by telephone, providing the results of product testing. The activity will **confirm** the results in writing prior to rejection of the product. NOTE: When **coal** is off-loaded, product rejection is more **difficult** to sustain.

3. Only the Contracting Officer can conditionally accept a nonconforming shipment in coordination with **DFSC-Q**. The contracting **Officer** shall request additional information through normal channels. Although acceptance of coal normally passes to the Government when the coal is unloaded, the Contracting Officer may attempt to **obtain** monetary consideration from the Contractor for unreasonable quality problems (excessive over/undersize coal, impurities, etc.).

F. CONTRACT WAIVERS

1. The contractor is obligated to provide the product and service **specified** in the contract. However, exceptions may be granted for reasons of urgency or economy, subject to equitable price adjustments or other consideration **and** when acceptable by the installation which developed the product specification.

2. Contract and specification waivers shall only be approved by the Contracting Officer. Upon waiver requests from contractors: (a) Contracting Officers shall request **DFSC-Q** review waivers for technical evaluation; (b) **DFSC-Q** shall recommend whether to accept or reject waivers in coordination **with** the customer (user) and respective SCP, and (c) the Contracting Officer shall deny or grant waivers after consideration of **DFSC-Q's** recommendations. DFSC Contracting **Officer shall** be advised of acceptance or rejection of the waiver and circumstances by **DFSC-Q** as soon as possible, but not later than 24 hours after request. (Note: During nonduty hours, the **CORS** at **DFSC-Q** may grant waiver requests. **DFSC-Q** shall advise Contracting **Officer**, the SCP, and the user of the facts during the following work day.)